

**NORTH PARK REDEVELOPMENT
PROJECT AREA COMMITTEE (PAC)
REGULAR MEETING MINUTES**

Tuesday, July 12, 2011

Lafayette Hotel (Orleans Room), 2223 El Cajon Blvd, San Diego, CA 92104

Comments and PAC actions relating to items on today's agenda are noted herein.

I. ROLL CALL & INTRODUCTIONS

The Chair Roger Lewis convened the meeting at 6:02 p.m.

David Cohen	Present	Judi O'Boyle	Present
Patrick Edwards	Present	Lachlan Oliver	Present
Don Leichtling	Present	Robert Steppke	Present
Roger Lewis	Present	Jennifer Litwak	Absent
		James Tinsky	Present
Lucky Morrison	Present	Mary Wilkinson	Present 6:14 pm

II. ADOPTION OF AGENDA

Motion (O'Boyle / Lewis): *Item B & C to be switched in order on agenda.
Order to be A,E,D,B,C.*

Passed (9-0-0) 6:07 pm

III. APPROVAL OF MINUTES

Motion (Leichtling / Tinsky): *Approval of special meeting.*

Passed: (6-0-3) Abstaining: Cohen / O'Boyle / Edwards (not preset)

Motion (O'Boyle / Tinsky): *Approval of June meeting minutes with following corrections*

Corrections: CEQA misspelled, Steppke miss-spelled

Passed: (9-0-0) Unanimous

IV. ELECTED OFFICIALS REPORT

Council and Mayors office to restore the fire department station hours for North Park as well as library and Rec center operating hours. NP Main Street had a maintenance district ballot out and had a resulting weighting of 38.4% yes, 61.6% no.

V. PUBLIC COMMENT

None

VI. CHAIR'S REPORT

None

VII. ACTION/DISCUSSION ITEMS

A. Vote of PAC Members to Fill Vacant PAC Residential Tenant Seat

PAC Discussion: Mark Stern present and interested in returning to the committee. Lengyel indicated his qualifications were in order.

Motion (O'Boyle / Stern): *To seat Mark Stern.*

Discussion: None

Passed (9-0-0) Unanimous

B. Consideration of free parking for the NP historical society car show

PAC Discussion: General consensus for approval

Motion (Leichtling / Stern): *Provide 9 to 3 pm parking for the event*

Discussion: None

Passed (11-0-0) Unanimous

C. Selection of replacement member for the multi family housing development subcommittee / Formation of a sub committee on the review of PAC bylaws.

PAC Discussion: Place Stern on the full committee to fill the vacant seat. Steppke would volunteer to be on the bylaw review committee. Lewis re-established Morrison, Steppke, Stern, O'Boyle and Oliver to be on the committee. Edwards suggested that a definition for a standing committee is needed and an Adhoc duties and functions. Oliver to chair and report back on the August meeting for the PAC at large.

D. Recommendation on Proposed Redevelopment Continuation Ordinance and related proposed FY 2012 budget amendments.

Lengyel (Agency) passed out two handouts (1) a six-page question and answer sheet regarding local and state issues and (1) a three page estimated state repayment obligation excel sheet. Lengyel explained these two items and what the options are. The possibility of not funding the Media arts center along with Queen bees is an issue to be discussed by the PAC. Does the PAC want to move forward with the ordinance, or AB26-27 the continuation bill.

Public comment: James Brown asked what date and project status shows committed funds? Lengyel explained after June 29th going forward cannot be executed. It is dependant when the Governor signs the act into law.

PAC Discussion: Steppke explained the options are to pay a "ransom" or refuse to pay and be cut off altogether. Lengyel said, basically yes. Leichtling asked about the rehab of 30 and El Cajon Blvd. Lengyel stated 30th and El Cajon prior set aside funds. Morrison feels there are not a lot of choices, and prefers to stay. Edwards explained the two plaintiffs in the case, going forward should we file an attachment of support or join with them through a motion of some sort? Lengyel said if an agency challenges anything then they will possibly be set aside, but the SD mayor will support a challenge. Tinsky feels that we are in an unfortunate place, sell our future or have no say in the process. O'Boyle stated we have \$300,000 for eminent domain, and asked about the Woolworths building if the Mayor is committed to the project. Lengyel said it depends on too many factors. Cohen asked what happens if the 2.7M goes to the state level, what happens then? Lengyel said they would only manage our existing debt. Stern asked if the bill is found unconstitutional are the

funds given back? Lengyel stated the city would wait until the last day and pay under protest. Leichtling asked how much of the 20% set aside money could be used? Lengyel stated most of the set aside money 269K could be used. Leichtling added we are only an advisory board, could our priorities be changed? Lengyel stated yes the City Council can but our recommendation holds weight for them. Lewis stated a valid agreement was stated and asked if Media Arts Center, Queen Bees and NP Produce are a valid agreement. Lengyel stated no. Is Wang's a valid agreement? Yes. November 1 is the deadline to pay or be in default. Morrison asked if the \$100,000 for Woolworths doesn't go through what happens to it. Lengyel stated it would probably go to the college district. Lesley Anderson from the public asked how we can pull \$ from the Media arts and fund the Woolworths building?

Motion (Steppke / O'Boyle): *To recommend the enactment of a continuation ordinance subject to an estimated continuation payment to continue to operate.*

Discussion: None

Passed (11-0-0)

E. Recommendation on Request by NP Gateway LLC for Additional Agency Assistance for Development of 3067 University Ave:

Clarification of how much money was being requested was discussed. A total of \$100K is being requested, negating the past \$55K that was approved. A monetary handout along with a written explanation was passed around to the public and the PAC regarding the project. Leichtling asked to clarify the use of Solar panels and the developer stated they would be postponed.

Public comment: Steve Power said the traffic seams congested and in LA great plans are moved forward but nobody cares about parking. Mr. Hahn stated the Woolworths building has great architecture and a presentation was given to their board and the officers of the board feel the project should go forward. James Brown stated they came in 2nd in the RFP but he was not privy to the pro forma but sees that adjustments need to be made and this is normal.

PAC Discussion: Leichtling stated we should approve the money that is being requested. Morrison stated we have placed \$55K in the project and wanted to clarify that another \$45K is needed and he is disinclined to move forward on this project. The money should possibly go to other good qualified projects. Edwards stated it should be moved forward, and stated a meeting was made the developer and some of the PAC members. Lewis stated a point of order that a meeting was proposed and denied by the PAC at large. Edwards stated he was on the original committee and they have changed a few items to the agreed upon project and as a person who has been in the building the roof is in bad shape so the money is needed. Oliver stated he believes the money requested should be covered by the 10% contingency that any project should have. Tinsky is not inclined to vote for the funds either. Wilkenson stated she feels good about the project and a vote was not taken last time because the proper information was not provided. She stated she would vote for the original \$63K. O'Boyle looked into the statistical analysis and there is a difference in how the agency staff voted and the sub committee. The scope changes, particularly the solar and green criteria are important to the PAC and since the green aspects are taken out it would have changed the voting. Steppke iterated he is torn, the difference in the number is \$44K and that it is a total max of \$100K. Cohen asked for clarification on the subsidy for sidewalk improvements. Mary explained about the numbers before looking in the building and after the building inspection. Colum "F" the value engineering is the column that should be looked at. Stern clarified when the original proposal was given there was a "phase 1" and a "phase 2". What does phase 2 go into? The developer stated phase 2 would be developed as a parking structure "possibly" at a later time. Stern asked about the gap, the BAE economics is

concerning due to the large difference in amounts. Stern would not approve the measure. Lewis asked how much was being saved by not doing the solar. Developer stated about \$80K is being saved. Lewis asked what are the sidewalk costs? Developer stated \$120K and \$80K on the alley. Lewis asked the cost in public amenities. Developer said \$100K. Lewis stated the scope has changed and would like to see the project in its original proposal in exchange for a revised funding plan for the money requested.

Motion (Lewis / O'Boyle): *Support moving forward under the following dependencies:*

- A) *Originally approved agreement to go forward in full with allowances for a change in sidewalks and verified Cal Green Tier II before operation*
- B) *Agency and developer to agree to terms – reported to the PAC – on a diminishing value for return of portion of \$1.95M value of building for sale in less than eight (8) years form completion.*
- C) *\$100k total project subsidy to pay for public amenities from the tax exempt bond proceeds fund*

Discussion: Morrison stated we moved from \$45K to \$120K in-order to have the original proposal. Why are we looking at doing the entire sidewalk area when only the immediate area is required, and why are we taking \$120K from future funding? I would like to see the sidewalk done only to requirements needed and the savings to move to solar. Edwards stated the motion "A" is for the original motion and "B" is for sale and "C" is for additional funds for the outside improvements, and he would support this motion. Oliver stated he would be for this proposal and that the proposal brought before us at the start and this proposal was poorly organized and lacked in clarity. Tinsky asked about the original agreement amount. Lewis said he is amendable to reduction from the amount he proposed and would support the motion up to \$100K. Morrison agreed to the \$100K amendment from tax-exempt proceeds. O'Boyle supports the motion to include the reduction. Steppke clarified that the money has to go to the public infrastructure of the building. Cohen is in support of the motion. Stern would support the motion.

Passed (11-0-0)

VIII. Sub Committee/Liaison reports:

A. Maintenance Assessment District (MAD)

None

B. Project Area Improvements

Wilkinson related a letter was written to KTUA to reduce the fees based on reduction in scope of work.

C. North Park Community Plan Update

None

D. Green/Sustainability Initiatives

None

E. Multi-Family Development

Leichtling stated a flyer was made and needs to be reviewed by the PAC.

F. NP Mini-park Steering Committee

None

IX. STAFF REPORTS/PROJECT UPDATES

A. Potential Effect of Ratified State Bills to Eliminate Redevelopment or Provide for Exemption

Stated earlier.

B. Update on Potential Restructuring of San Diego's Redevelopment Agency

No update other than council sub-committee considering state action affects.

C. NP FY11 Work Plan Status Report

None

X. REQUESTS FOR NEXT AGENDA

A. Possible by-law changes.

B. Action discussion of Media Arts Center and Queen Bee's.

XI. ADJOURNMENT

Motion (Cohen / Stern): *To adjourn at 8:44 p.m.*

Passed (11-0-0)